

Co-operation Agreement
between GRTN and RTE
on the France-Italy Interconnection



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APPENDIX 2.

GENERAL PRINCIPLES OF THE DAILY ALLOCATION MECHANISM

As per article 12.2 of Annexe A to Deliberation of Authority for Electricity and Gas no. 301/01, GRTN has the obligation to purchase energy utilising the transmission capacity which could be available on a non-foreseeable and non-continuous basis.

As agreed with RTE, the transmission capacity which could be daily available on a non-foreseeable and non-continuous basis will be allocated in the daily mechanism with a maximum of 50% for spot activities done by GRTN.

In case of technical constraints on the power system, the GRTN does not assure the execution of the spot transactions.

Authorised participants

All the subjects having authorisations for electricity trade within at least one of the ETSO member states and supplying authorized Italian operators can participate to the daily allocation.

Daily allocation procedure

When the reference day is a Sunday, Monday or after-holiday day, the above activities shall be performed on Fridays or the day before the holiday.

Note: the terms underlined are defined in the "Definitions of the Terms"

	GRTN process	RTE process
8:30 a.m.		<u>Final deadline</u> for the "French exporters" to communicate their daily nominations. These nominations include the nomination of the EDF-ENEL S.p.A long term contract.
9:00 a.m.	<u>Final deadline</u> , for the subjects having capacity rights on the French-Italian border, to communicate possible <i>modifications to the weekly programme</i> already notified to GRTN and integrated with the updating of the Enel S.p.A long term supply.	
9:30 a.m.	GRTN makes the <i>commercial assessment of the hourly capacity available on the following day J</i> , at the French-Italian border, to be allocated to the <i>French exporters</i> who submit a request	RTE defines the <i>hourly capacity available on the following day J</i> , at the French-Italian border, to be allocated to the <i>French exporters</i> who submit a request

10:00 a.m.	<p>Final deadline for GRTN and RTE, for the following day J, to jointly define the hourly capacity available at the French-Italian border</p> <p>In particular the hourly available capacity at GRTN's disposal (max 50% of the total hourly available capacity) and the available capacity that RTE can put at the disposal of the French exporters.</p>	
10:15 a.m.		<p>RTE, in its name and also on behalf of GRTN, communicates to all the French exporters the hourly capacity available at the French-Italian border for the following day J (including for information the available capacity that GRTN will use for spot).</p>
10:45 a.m.		<p>Final deadline, for the French exporters, to submit to RTE the <i>request for awarding</i> of the hourly capacity available at the French-Italian border for the following day J.</p>
11:30 a.m.		<p>RTE, on its name and also on behalf of GRTN, communicates to the concerned French exporters and to GRTN, the hourly capacity awarded at the French-Italian border for the following day J.</p> <p>The capacity is allocated according to a pro-rata rule.</p>
2:00 p.m.	<p>Final deadline within which the French exporters, assignees of capacity, confirm to GRTN the new supply programme at the French-Italian border and the authorised Italian operators whom they deliver energy for the following day J</p>	<p>Final deadline within which the French exporters, assignees of capacity, confirm to RTE the new supply programme at the French-Italian border for the following day J.</p> <p>Final deadline within which the French exporters supplying GRTN confirm to RTE the new supply programme at the F-I border for the following day J.</p>
02:15 p.m.	<p>GRTN and RTE verify the values of the capacity really awarded on the day J-1 for the following day J.</p> <p>This verification shall be performed in the framework of the control activities of the total energy supplies at the French-Italian border scheduled for the following day J.</p>	

Collection of the guarantee fee

Each Italian user shall pay on a monthly basis to GRTN, that acts in its name and on behalf of RTE, the fee of 0,3 Euros/MWh for the energy really withdrawn.

The above mentioned fee applies to the capacity used by GRTN for spot if this capacity is within the volume of capacity allocated in the Primary Allocation Mechanism (not less than 2600 MW in winter, this value being reduced in summer after application of the reduction ratio).

Definitions of the terms

Modifications to the weekly programme

value given in MW, on the decrease or on the increase, compared with the weekly capacity scheduled at the French-Italian border and with the scheduled daily supplies requested by Enel S.p.A. for the performance of the long-term contract with EDF.

Commercial assessment

Is a value calculated by comparison and not technically verified, of the hourly capacity available for energy import.

Hourly capacity available on the following day J,

at the French-Italian border, is the transmission capacity, not foreseeable and not guaranteed, resulting from the combination of the following items:

- possible return of the transmission capacity not utilised by the entitled subjects;
- limits for operational restraints.

The French exporters are the operators having the authorisation of RTE to supply Italian clients on the French-Italian border.

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